

The Times of Governance and Civil Society

CASUMM Position Paper on Governance and Civil Society in Indian Cities

Gone are the days when we spoke of governments. What we have today is the concept of governance as promoted by multilateral development banks (MDBs) such as World Bank (WB), Asian Development Bank (ADB), USAID, etc. New civil society organizations (CSOs) are the most important part of this juggernaut which is beating the drums for good governance.

So what is governance after all?

The concept of governance primarily addresses issues of distribution of power and definitions of roles in such a way that allows the masking of political conflicts and helps to present ideas in a non-ideological fashion. Central to this concept of governance is the role that CSOs play, especially the way in which these organizations contribute to the shaping of agendas, projects and processes. MDBs work with CSOs **'to incorporate the participatory element in the proposed projects'**. A clear example of this is the role which Janaagraha played in the Greater Bangalore Water Supply and Sanitation Project (GBWASP). In GBWASP, Janaagraha Centre for Citizenship and Democracy (JCCD) set up help desks 'to communicate the project to the public and to get opinions from the people which would serve as inputs for the development of GBWASP'. GBWASP aimed at privatization of operations and management (O&M) of water supply, but JCCD's involvement was meant to tone down this central objective of the project. This also helped to move public attention away from the underlying problematic financial issues involved in the project i.e. the financial model proposed under GBWASP would hold the resources of the City Municipal Councils (CMCs) captive to pay for the project debt service.

The concept of governance is therefore based on the idea of 'consensus'. This 'consensus' is the acquiescence necessary to carry out a programme in an arena where many different interests are in play. This can be seen in the way in which microfinance as promoted by CSOs, MDBs and microfinance institutions (MFIs) is working vis-a-vis MDB promoted projects. In the AusAid pilot project where metering was introduced in three slums in Bangalore, AusAid made its entry into the three slums through NGOs running women's thrift and credit groups there. These NGOs 'helped to mobilize the communities' and further the pilot project. Thus, a general consensus was created for the project.

The concept of governance is also an integral part of the lending programs of IFIs. **For the World Bank (WB), governance is essentially governance for development, a set of conditions that facilitates economic development consistent with its original mandates.** Thus according to WB, governance is *"the manner in which power is exercised in the management of the country's economic and social resources for development"*. Such a concept of governance is completely stripped of political significance.

This narrow definition of governance opens a wide array of areas which legitimates WB's involvement. WB and other MDBs work at various levels in a country to create environments which suit its lending programmes. This involves:

- Promoting policies which make countries eligible for lending including decentralizing administration, creating ombudsman offices, upgrading public sector information systems, and improving (or creating) tasks of the comptroller-general. This is evident in the agenda of the

Vote Mumbai Campaign which is promoted by a CSO named Loksatta and supported by various other CSOs and NGOs. Loksatta is advocating changes in the administrative set-up of Mumbai City by amending the Municipal Act of 1888. Loksatta's action agendas for comprehensive urban reforms which will promote better urban governance in Mumbai includes:

- *Completely revamped Municipality Law including Direct Election of the Mayor for the city, 3-tier structure of municipality/ward committee/area sabha, formal citizen participation in municipal affairs, mandatory audited quarterly disclosure of performance and creating an office of the ombudsman¹;*
- *Establishing spatial data centre for real-time GIS (Geographical Information Systems) which will help in planning and coordinating across agencies;*
- *Implementing urban land reforms which involves simplified land records management system and guaranteed land title*
- *Developing and delivering comprehensive city plans through involvement of multiple stakeholders, rigorous enforcement of zoning and land use and regular mapping and monitoring of economic activities in the city*

Such a campaign disempowers the municipality particularly the municipal councilors who are then pushed under the control of the elite CSOs. It is also aimed against hawkers, slum dwellers, small traders and businessmen as can be seen in the lobbying for GIS mapping, 'rigorous enforcement of zoning regulations' and 'establishment of simplified land records management system'.

- MDBs seek to improve investment prospects by advocating a rational legal order that is predictable and free of political interference. *As the retail sector in India is opening up for entry of large retail chains such as Wal Mart, Metro Cash and Carry, etc., one of the biggest reform agenda that MNCs and large corporations are lobbying for is the reform of Indian labour laws so that trade unions become illegal and labour conflicts are pushed into the private domain.*

The rational legal order as promoted by MDBs is intended to create a system which should provide a framework to define property rights and contracts and liabilities based on written norms. For e.g. C-GAP (Consultative Group to Assist the Poor), a global microfinance consortium consisting of 31 members (including bilateral, multilateral and private donors such as WB, ADB, USAID, SIDA, etc.) advocates that governments should support microfinance services by improving the legal framework for contract enforcement and collateral rights and ensure practically and legally feasible systems of land titling. This allows MFIs to pressure self help groups (SHGs) accessing microfinance to place their land deeds as collateral to pay back loans.

- Presently, MDB approach advocates that the effectiveness and sustainability of any public project are enhanced when those who will be affected by it can participate in the design and implementation of the process. **It envisages grassroots community organizations as being closer to the affected social groups than governmental bodies.** It therefore works with community based organizations (CBOs) and NGOs in implementing MDB funded programmes. *This helps programmes overcome the lack of legitimacy and representation.* This can be seen in the case of the controversial Mumbai Urban Transport Project (MUTP) where through the WB efforts, the entry of SPARC (Society for Promotion of Area Resource Centres) was legitimized as a representative of the poor. SPARC was responsible for identifying persons whose commercial establishments and houses were to be affected by the road widening efforts of the MUTP. Several of the Project Affected Persons (PAPs) complained of inadequate compensation and arbitrariness on the part of SPARC in the identification process.

This agenda is clearly reflected in the lending programmes that lean heavily toward reforming

1 According to Loksatta, this ombudsman will be appointed by the Chief Minister, retired judges of the Mumbai high court and the election commissioner. If the Chief Minister is involved in appointing the ombudsman, then how can we expect the ombudsman to function independently?

social policies including health and education.

How CSOs bring about political restructuring:

- ✓ **CSOs directly lobby and work with higher level bureaucrats in municipalities and para-statal agencies.** These bureaucrats are 'reform-minded' and 'progressive' individuals. Lobbying with bureaucrats to introduce 'reforms' is problematic because bureaucrats are not the elected representatives of the people. Bureaucrats also have a vested interest in working with CSOs because it helps them to undermine and bypass the powers of the local councilors.
- ✓ **CSOs also promote the creation of para-statal agencies for 'improved efficiency and better governance'.** However these para-statal agencies are largely insensitive to the needs of the poor. It has been seen in previous studies that the poor can access basic services mainly through interventions by the municipal councils and not through para-statal agencies.
- ✓ **CSOs attempt to target higher level politicians who are pro-reform.** For instance, a Delhi-based CSO named Center for Civil Society (CCS) organizes regular meetings with policy makers and younger Members of Parliament (MPs) to promote their ideas. Currently, CCS is directly lobbying with the Planning Commission and with Montek Singh Ahluwalia to introduce 'education vouchers', a scheme where governments provide vouchers to poor students who can then use the voucher to get admission in a school of their choice.
- ✓ **Through instruments such as report cards, performance audits and handbooks, CSOs attempt to bring various municipal services and departments under the scrutiny of certain groups of citizens.** These report cards, audits, handbooks and budget analysis studies point only towards a macro-economic picture and bring municipal services under scrutiny by highlighting issues of corruption and inefficiency. Such instruments then legitimize the entry of Public-Private Partnerships (PPP) in providing municipal services.

All these strategies undermine the autonomy of municipal governments and brings them under the control of bureaucrats, state and central governments, MDBs and elite corporate groups.

A large number of the CSOs are part of schemes such as the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), e-governance initiatives, etc. In turn, CSOs attempt to generate consensus among the NGOs through different ways and means. This is evident in the way CSOs have been working with NGOs under JNNURM. CSOs also directly work with trade and corporate lobbies such as Confederation of Indian Industry (CII) and Federation of Indian Chamber of Commerce and Industry (FICCI). The recent negotiations between Janaagraha and the CII are indicative of this trend. Thus government is privatized and pushed into the realm of governance. As the brochure of CCS states:

“Civil Society is what keeps individualism from becoming atomistic and communitarianism from becoming collectivist. Political society, on the other hand, is distinguished by its legalized power of coercion. ... The focus on civil society enables one to work from both directions: it provides the 'mortar' program of building or rebuilding the institutions of civil society and a “hammer” program of readjusting the size and scope of the political society. Both programs are equally critical and must be pursued simultaneously. Weeds of the political society must be uprooted and seeds of a civil society must be sown.”

<i>Reform Promoted</i>	<i>CSO</i>
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Education reforms namely education vouchers	Akshara Foundation (Bangalore), Centre for Civil Society (CCS, New Delhi), Pratham ?
Fund Based Accounting Systems (F-BAS)	Janaagraha Centre for Citizenship and Democracy (JCCD, Bangalore), Praja (Mumbai), YUVA (Youth for Unity and Voluntary Action, Nagpur), Public Affairs Centre
E-governance – Online Complaint Monitoring System (OCMS)	Praja (initiator), JCCD (replicated in BWSSB and BDA)
Reforms in water supply systems in cities	JCCD (citizens' participation component in GBWASP in Bangalore), AGNI (Action for Good Governance and Networking in India, Mumbai, citizens' interface for K-East Water Distribution Improvement Project), CCS (all-India campaign for water reforms)
Municipal Administration Decentralization mainly Community Participation Law (CPL)	JCCD (initial drafter and prime lobbyist in JNNURM) and Loksatta (Hyderabad, creation of concept of Area Sabha and now lobbying for CPL to be implemented in Mumbai under VoteMumbai campaign), CCS (supporting promotion of CPL)
Electoral Reforms	PAC initiator of Know your candidate and candidates disclosure, Loksatta (initiator of VoteIndia campaign to change first-past-the-post system to Mixed Proportional Representation system), JCCD (supporter) ADR, PAC,
Administrative Reforms Commission (ARC)	JCCD, Loksatta, Institute of Social Sciences
JNNURM	JCCD, SPARC (Society for Promotion of Area Resource Centres, Mumbai), NIPFP (National Institute of Public Finances and Policy, New Delhi), DHAN foundation, AKSHARA,

References:

1. *Global Governance 6 (2000), pp 493-517 'Multilateral Development Banks, Governments, and Civil Society: Chiaroscuros in a Triangular Relationship' - Gabriel Casaburi, Maria Pia Riggirozzi, Maria Fernanda Tuozzo and Diana Tussie.*
2. *Access for All (2006), pp 92 – Brigit Helms for the Consultative Group to Assist the Poor*

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